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CENTRAL INTELLIGENCE AGENCY Office of Current Intelligence 8 October 1965

State Dept. review completed

INTELLIGENCE MEMORANDUM

The Indonesian Situation
(Report #22 - As of 6:00 AM EDT)

- 1. President Sukarno is making a determined effort to rehabilitate the Indonesian Communist Party (PKI) and those elements of the air force, including Vice Air Marshal Omar Dani, who were implicated in the "30 September Movement." It remains uncertain how far the army will let him go.
- 2. Sukarno and First Deputy Prime Minister Subandrio are insisting strongly upon a political solution to the problems generated by the abortive coup of 30 September. If permitted by the army, such a solution will constitute a long step toward restoring Sukarno to his earlier position of preeminence, and a number of other prominent leaders suspected of complicity in the coup will have attained immunity.

while diverting attention from in the "30 September Movement.	their own suspicious roles
are accusing the CIA of instig	ating the coup.
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- 7. Anti-Communist demonstrations are becoming both more numerous and more assertive. The PKI headquarters in Djakarta was raided and partially burned by a youth group early on the morning of 8 October. Other demonstrators are reported to be marching through the streets, anti-Communist speeches are being made before noisy crowds in the city square, and shouts of "hang Aidit," (the absent PKI Chairman) and "down with the PKI" can be heard.
- 8. The American Embassy reports the presence of pro-American sentiment, evidenced by warm greetings and shouts of "long live America."